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May 9, 2003

**Via Electronic Filing**

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 Twelfth Street, SW  
Washington, DC 20554

Re: Notice of Ex Parte Presentation: CC Docket Nos. 00-256, 96-45, 98-77 and 98-166.

Dear Ms. Dortch;

Yesterday, Thursday, May 8, 2003, Safir Rammah and I met with Tamara Preiss, Jay Atkinson, Judith Nitsche, Clifford Rand, Kim Yee and Doug Slotten to discuss the significant increase in rate of return carrier overearnings during the last three monitoring periods. This is particularly troubling given the fact that the FCC's authorized rate of return of 11.25% is considerably out-of-date and woefully excessive given the current economic situation. AT&T provided the attached chart that shows well more than a 100% increase in carrier overearnings between the last monitoring period and the most recent period as indicated by the Carrier's recent Preliminary Form 492. AT&T expressed alarm over the size on the increase and asked the FCC to closely review these carrier's upcoming annual filings, especially those carriers whose percentage overearnings significantly exceeds 11.25%.

The positions expressed by AT&T were consistent with those expressed in its comments and reply comments.

Consistent with the Commission rules, I am filing one electronic copy of this notice and request that you place it in the record of the proceedings.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick H. Merrick".

Attachment

CC: Tamara Preiss  
Jay Atkinson  
Judith Nitsche  
Clifford Rand  
Kim Yee  
Doug Slotten

**Rate of Return Carriers that File Form 492 Reports**  
**Earnings Over 11.25%**  
*(\$s in Thousands)*

Company Name	1997 - 1998 Period		1999 - 2000 Period		2001 - 2002 Period	
	Percent Annualized Earnings	Over Earnings	Percent Annualized Earnings	Over Earnings	Percent Annualized Earnings	Over Earnings
TUECA-CenturyTel	14.03%	\$ 7,773	13.04%	\$ 5,293	19.86%	\$ 24,298
CenturyTel MW-MI	34.66%	\$ 1,115	32.55%	\$ 4,067	26.83%	\$ 3,473
CenturyTel-OH	19.65%	\$ 4,196	18.96%	\$ 3,903	18.43%	\$ 4,138
CenturyTel-WI	21.26%	\$ 2,019	25.37%	\$ 3,048	23.49%	\$ 3,365
Chillicothe	8.41%	\$ -	19.86%	\$ 918	26.84%	\$ 1,856
Gallatin River			10.47%	\$ -	15.69%	\$ 2,037
Gulf			11.91%	\$ 250	15.32%	\$ 1,338
Illinois Consolidated	9.73%	\$ -	12.01%	\$ 389	13.47%	\$ 1,448
NECA	11.91%	\$ 59,037	11.68%	\$ 38,605	12.61%	\$ 144,598
Virgin Islands	28.79%	\$ 3,266	11.57%	\$ 96	2.13%	\$ -
ACS-Anchorage	16.70%	\$ 4,671	23.15%	\$ 8,088	25.45%	\$ 8,852
ALLTEL-AL	22.72%	\$ 751	9.25%	\$ -	8.93%	\$ -
ALLTEL-AR	12.61%	\$ 502	8.62%	\$ -	14.34%	\$ 1,887
ALLTEL-NC	23.93%	\$ 3,963	8.69%	\$ -	4.23%	\$ -
ALLTEL-FL	16.79%	\$ 775	10.38%	\$ -	4.26%	\$ -
ALLTEL-GA Properties	13.98%	\$ 10,767	12.38%	\$ 7,927	8.19%	\$ -
ALLTEL-KY	21.88%	\$ 451	10.16%	\$ -	0.50%	\$ -
ALLTEL-MS	17.55%	\$ 161	7.81%	\$ -	9.76%	\$ -
ALLTEL-MO	13.92%	\$ 608	16.90%	\$ 1,312	12.39%	\$ 266
ALLTEL-NY Properties	17.88%	\$ 1,886	10.07%	\$ -	8.71%	\$ -
ALLTEL-OK Properties	12.51%	\$ 333	12.88%	\$ 454	10.49%	\$ -
ALLTEL-PA	19.75%	\$ 3,819	13.72%	\$ 1,271	8.42%	\$ -
ALLTEL-SC	19.78%	\$ 749	9.22%	\$ -	5.98%	\$ -
ALLTEL-Sugarland	15.06%	\$ 846	7.81%	\$ -	9.46%	\$ -
ALLTEL-TX	19.38%	\$ 1,122	10.72%	\$ -	10.06%	\$ -
ALLTEL-Western Reserve	14.07%	\$ 1,533	9.30%	\$ -	9.98%	\$ -
Puerto Rico	12.22%	\$ 3,973	6.16%	\$ -	12.25%	\$ 10,378
Roseville	8.17%	\$ -	27.79%	\$ 9,293	19.02%	\$ 6,405
TXU Communications (Lufkin-Conroe)	19.01%	\$ 1,944	11.35%	\$ 344	11.01%	\$ -
Winterhaven	29.83%	\$ 250	18.63%	\$ 73		
Coastal Utilities (JSI)					11.74%	\$ 253
Concord (JSI)	19.79%	\$ 1,140	25.18%	\$ 2,174	26.99%	\$ 3,401
Farmers (JSI)			16.92%	\$ 1,128	10.81%	\$ -
Fort Bend (JSI)					12.13%	\$ 287
Fort Mill (JSI)	42.16%	\$ 480	29.58%	\$ 518	21.03%	\$ 373
Hargray (JSI)					5.78%	\$ -
Home (JSI)	18.78%	\$ 251	13.82%	\$ 146	5.24%	\$ -
Horry (JSI)	14.74%	\$ 1,564	13.54%	\$ 1,806	9.48%	\$ -
Lancaster (JSI)	20.91%	\$ 251	5.15%	\$ -	3.38%	\$ -
Rock Hill (JSI)	14.77%	\$ 366	5.44%	\$ -	7.46%	\$ -
Taconic (JSI)			13.70%	\$ 314	8.96%	\$ -
Warwick Valley (JSI)	12.58%	\$ 365	13.00%	\$ 494	9.68%	\$ -
<b>Total</b>		<b>\$ 120,929</b>		<b>\$ 91,910</b>		<b>\$ 218,653</b>

Data source = form 492 reports

Note: Overearning dollar amounts are based on total interstate overearnings. The overearning dollar amounts for LECs that didn't overearn on the basis of total interstate rate of return but may have overearned based on individual basket's rate of return (i.e. Common Line, Special Access, and Traffic Sensitive)